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May 30, 2013

Carey Bylin  
Natural Gas Star Program  
U.S. Environmental Protection Agency  
1200 Pennsylvania Ave., NW (MC6207-J)  
Washington, DC 20460

Dear Ms. Bylin,

Please find enclosed the 2012 Annual Report for Chevron North America Exploration and Production Company's MidContinent Business Unit (MCBU).

If you have any questions, do not hesitate to contact Niles Waghmare at (713) 372-9734 or [wsniles@chevron.com](mailto:wsniles@chevron.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Joshua McIntosh", with a long horizontal line extending to the right.

Joshua McIntosh

Enclosure: 2012 EPA Natural Gas STAR Report

Chevron has been a participant in the Natural Gas STAR program since 1995. The program is a voluntary partnership between the EPA and the oil and gas industry to encourage methane emissions reductions among natural gas producers, processors, and transmission companies. As a partner, Chevron is required to annually report our methane emissions reductions. Below is a summary of the 2012 MCBU results, collected through collaboration of HES Specialists, Compressor Optimization Specialists and a review of the MCBU capital projects list.

Projects		Methane Reductions <sup>1</sup>		\$ Spent	Value of Gas Saved <sup>2</sup>
4	Electric Compressors	513.2	MMCF	\$3,300,000	\$3,592,330
6	Flares	12.0	MMCF	\$838,187	\$84,000
26	Plunger Lifts	122.2	MMCF	\$241,982	\$855,400
115	Pumping Units	111.9	MMCF	\$8,812,105	\$783,265
94	Velocity Tubings/Strings	872.8	MMCF	\$2,678,906	\$6,109,530
2	Instrument Air	11.6	MMCF	\$170,866	\$80,942
13	VRU's	553.9	MMCF	\$1,025,694	\$3,877,283
8	Compressor Optimization	7.3	MMCF	\$107,600	\$51,128
<b>271</b>	<b>TOTAL</b>	<b>2204.8</b>	<b>MMCF</b>	<b>\$17,175,340</b>	<b>\$15,433,878</b>

1. Most methane reductions are calculated using emissions factors provided by the EPA NG STAR program
2. Gas value based on \$7/mcf